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FM AMEMBASSY ANTANANARIVO

TO RUEHC/SECSTATE WASHDC PRIORITY 2339

INFO RUEHZO/AFRICAN UNION COLLECTIVE PRIORITY

RHMFISS/CDR USAFRICOM STUTTGART GE PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 ANTANANARIVO 000282

SIPDIS

STATE FOR AF/E - MBEYZEROV

PARIS FOR RKANEDA

LONDON FOR PLORD

E.O. 12958: DECL: 11/04/2018

TAGS: PGOV MA

SUBJECT: MADAGASCAR: BAPTISM BY FIRE -- RAJOELINA'S FIRST
30 DAYS

REF: A. ANTANANARIVO 204

1B. ANTANANARIVO 282

1C. ANTANANARIVO 267

1D. ANTANANARIVO 265

1E. ANTANANARIVO 227

Classified By: AMBASSADOR NIELS MARQUARDT FOR REASONS 1.4 B AND D.

11. (C) SUMMARY: Andry Rajoelina took power on March 17 in a military coup, and has spent his first month fending off political attacks, economic crises, and international condemnation. Rajoelina's High Transitional Authority (HAT) has a tenuous hold on the country, and his government retains an edge of revolutionary fervor - along with the accompanying political disorder, intolerance for dissent, and inability to work with the opposition that that entails. The HAT presses on, however, and maintains control by intimidating or buying off countervailing media, military, and political forces; where former President Ravalomanana often pushed aside democracy and civil liberties in the name of "development", Rajoelina is doing the same simply to stay in power. Meanwhile, negotiations between the four current political factions (Rajoelina's HAT, Ravalomanana's TIM, former President Albert Zafy's CRN, and former President Didier Ratsiraka's AREMA) are stalled, as negotiators try to navigate each parties' conflicting demands. Most political leaders appear more concerned with getting a seat at the transition table than with launching an effective government. Thirty days in, there's been much change here, but no progress. END SUMMARY.

RAJOELINA'S GOVERNMENT: OFF TO A SLOW START

12. (C) When he took power on March 17, Rajoelina was prepared with 13 ministerial appointments, a blueprint for the structure of his transition government (elaborated in Ordinance 2009/003, reftel A), and a host of former-opposition allies ready to take their seats in the HAT. His government has made little progress since: only 12 ministers (out of a planned 25) have been named, as his original Minister of Defense was effectively vetoed by the military's former mutineer leaders (reftel B). Forty-one seats in the HAT's 44-member executive body were named on March 31, but the remaining three appear to be stuck, as with the remaining ministers, in a search for consensus candidates to appease the opposition. The HAT has nominated six vice presidents (one for each of Madagascar's former provinces), and on April 15 formed 10 committees on such issues as trade, finance, defense, and foreign relations. Lacking a legislative body, these committees will theoretically play an oversight and policy planning role, although they, like the ministers themselves, all remain subordinate to HAT President Rajoelina.

¶3. (C) Rajoelina's blueprint also included a 120-member "Council for Economic and Social Recovery" (CRES), but no appointments have yet been made and the CRES appears to have been forgotten for the moment. His plans for an expanded (from nine to eleven members) High Constitutional Court (HCC) have yet to be acted upon, as he is rumored to be seeking two qualified candidates that the High Council of the Magistracy will endorse - no small feat, if it happens. On April 10, he dismissed all 22 of the country's Regional Chiefs, who were appointed by Ravalomanana, and has yet to name replacements. The nominally-independent Central Bank is now on strike for a second time (although they are maintaining a minimal level of service), protesting against what they see as HAT moves that endanger their independence. Worse still, Rajoelina's opposition alliance has fractured, with Ratsiraka's AREMA now in opposition to the HAT, along with Ravalomanana's TIM and associated "pro-constitutional/legalist" parties.

¶4. (C) Judged against their inaugural promises at the "installation" ceremony on March 21, the HAT is faring little better. Looting and vandalism in Antananarivo have stopped, but personal security and petty crime remain as bad as ever. Crimes such as illegal logging for rare hardwood trees have increased as security forces have failed to restore order around the country (or are themselves involved), and former President of the National Assembly Jacques Sylla recently suffered a grenade attack on his home. Rajoelina's promise to release political prisoners and invite exiled politicians back has only been delivered halfway: he "released" 48 prisoners (of very questionable "political" credentials, reftel C) to house arrest, but has only pardoned 32, leaving

ANTANANARI 00000282 002 OF 003

the most controversial ones in a politically expedient limbo. The "exiles" he welcomed back, notably Ratsiraka and former AREMA prime ministers Pierrot Rajaonarivelo and Tantely Andrianarivo, are waiting for legal clarity before returning: they are seeking an amnesty (which would allow them to re-enter politics) rather than a pardon. For the moment Rajoelina has offered neither, but an amnesty for AREMA exilees is clearly a vital part of any settlement to which AREMA would associate itself.. As for economic policy, any broader vision for the economy has been obscured by populist measures to buy support through cheap staple goods. The alleged Daewoo agricultural deal has been officially canceled, and Madagascar's few large mining contracts have been threatened with a review of their terms and a lack of performance on GOM obligations like timely VAT reimbursements to the investors.

LACKING LEGITIMACY, RAJOELINA TURNS TO INTIMIDATION

¶5. (C) The 30-day snapshot inside the transition government is just as troubling. The suspension of foreign assistance has cut the overall national budget by roughly a quarter, while the global and domestic economic crises will reduce GDP growth by at least half (reftel D), with a concurrent impact on tax and customs revenues. In addition, Ravalomanana is reported to have run through half of the annual budget in the first quarter of 2009 alone, due to his actions during the political crisis. Minister of Finance Benja Razafimahaleo has assured civil servants that their salaries are safe "at least until the end of 2009", but declared that the government would otherwise be forced to focus on the "priority areas" announced on March 31 (reftel E). This week he made clear his intention to re-allocate funds away from planned investment (in development, construction, and social programs, including education and health care) to operational expenses. The country's "Road Maintenance Fund" (FER) will be rerouted to deal with cyclone damage, and may be tapped further if needed. Plans to sell the controversial presidential jet and recoup lost taxes and customs duties from Tiko have not yet been implemented, but their impact would regardless be more political than financial.

Razafimahaleo has also promised less official travel, the cancellation of the AU summit, and the revocation of Ravalomanana's promise that businesses looting in January 2009 would be exempt from taxes to make up their losses. It is not clear how the HAT plans to pay for Rajoelina's populist announcements of cheap rice and cooking oil, reduced transportation fares, and lower utility prices through state-owned JIRAMA. The IMF rep here today described every economic decision made so far by the HAT as "illegal."

¶6. (C) Lacking democratic legitimacy or financial means, the HAT has frequently turned to intimidation when support is otherwise lacking. Within the military, the current Army Chief of Staff and other leaders from the March mutiny have not yet consolidated their power, and retain some independence from the HAT leadership. Mid-level officers thought disloyal are quickly sidelined, and no generals have been entrusted with any leadership positions. In the media, criticism of the HAT, even from relatively favorable outlets such as Radio Antsiva, is met with swift denunciation from HAT Minister of Telecommunications Augustin Andriamananoro; media outlets report active self-censorship to avoid trouble with the administration, and several radio stations have been physically prevented from broadcasting. In local government, several city mayors have been replaced with HAT-appointed "Presidents de Delegation Speciale" (PDS); the legal case for such appointments is as weak now as it was when then-President Ravalomanana did the same to Rajoelina in Antananarivo, but the court system cannot effectively deal with HAT pressure against TIM-party politicians.

TIM, CRN, AND AREMA PLAY THE FIELD

¶7. (C) In this context, there is plenty of political space for the opposition movements of Ravalomanana's TIM, former President Albert Zafy's CRN, and former President Didier Ratsiraka's AREMA. The AU and UN's negotiations last weekend failed when these parties' negotiators couldn't get past the non-negotiable demands of their respective leaders, leading to unconfirmed speculation that the next round may take place between the principals themselves outside of the country (side-stepping the former leaders' problems about returning

ANTANANARI 00000282 003 OF 003

to Madagascar). AU Envoy Ouedraogo flatly denied today that discussions between principals outside Madagascar were under discussion, but the French ambassador suggested privately that something of this nature may be in the works, possibly in the Seychelles. The largest grouping of civil society organizations, the CCOC, is concerned that their supporters in Madagascar might not buy into any deal they make among themselves.

¶8. (C) In the meantime, rumors persist -- and often are believed here -- that Ravalomanana will return soon (some say tomorrow, March 18), Pierrot Rajaonarivelo (of AREMA) by next week, and Ratsiraka himself by Independence Day (June 26); post has no indication that any of these are well founded. Further heating up the prevailing bizarre political climate, Ravalomanana yesterday revealed two April 10 decrees, the first rescinding his March 17 decree appointing a military directorate (and thereby allegedly restoring his own executive powers), and the second naming MFM leader Manandafy Rakotonirina as his new Prime Minister. His supporters continue to hold daily rallies on Place de la Democracy, with occasional marches and sit-ins elsewhere in central Antananarivo; the Thursday crowd was massive and well-behaved. His supporters demand the restoration of the legislative branch, possibly with an enlarged "constituent assembly", including all members of the former TIM-dominated parliament. They also call for his legal return to the county, and all refuse to recognize the HAT's legitimacy.

¶9. (C) Zafy has widespread support in some of the coastal

regions, although he appears to have backed down on previous declarations that he was now heading a government of six newly-autonomous provinces. According to the CCOC, his supporters do not have any specific non-negotiable demands, but take issue with the formation of the transition government and would prefer to start over with a new national conference and everything back on the table. Ratsiraka's supporters demand an amnesty for their leader (although he himself reportedly refuses to request it from a government he doesn't recognize), as well as the resignation of the HAT. As for Rajoelina, his own non-negotiables in any negotiations, thus far, have been that the HAT President (himself), Prime Minister (Monja), and 41 HAT members keep their positions, although more members could be added in the future, to make them more inclusive. All appear to agree on the idea of some separations of power and judicial independence, but they fundamentally disagree on the HAT's continued role, the reinstatement of the parliament, and the right of Ravalomanana to return as head of state.

MUCH CHANGE, LITTLE PROGRESS

¶10. (C) COMMENT: The next 30 days may look much like the past 30: the HAT will continue to struggle to consolidate its power, opposition groups will grow in strength (and possibly in number), and a bad fiscal situation will only get worse. The fundamental disagreements between the four main political movements will persist as long as each remains more concerned about their seat at the table -- and opportunities to get ahead -- than with the substance of managing a transition. The HAT, meanwhile, do not appear prepared to compromise on the gains they've already made, even as their popularity -- and thus their leverage -- both weaken. END COMMENT

MARQUARDT